

24 FEB 1978

MEMORANDUM FOR: Chief, Plans and Programs Staff, OL

FROM:

[REDACTED]
Chief, Real Estate and Construction
Division, OL

SUBJECT: Senate Bill S. 2525

1. Per your request the following examples are submitted as being RECD and RECD related cases:

a. Payment of SLQA under [REDACTED] -50/50 split

b. Certificate of Necessity-- [REDACTED] --
Renovation costs exceed 25 percent of first year's rent cost; annual rent limited to 15 percent of fair market value.

c. Economy Act of 1932 and Public Buildings Act of 1959 -- Exceed appraised lease costs, eg., [REDACTED]
[REDACTED]

d. Construction of buildings and facilities without regard to Sections 250 and 267 of Title 40; and under 8b, avoid prospectus procedure on Director's certification.

2. The primary difference affecting RECD in the proposed Senate Bill S. 2525 and the existing act is that part (b) of Section 8 of the existing act states that "the sums made available to the Agency may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds" whereas the proposed regulation states that such funds "may be expended for purposes necessary to carry out the lawful functions of the Agency." (Section 425 (a)) Both acts provide exclusion from the Public Buildings Act of 1959 (40 USC 601-615) but the proposed Bill spells out more clearly that the exclusion applies to the acquisition, construction, or alteration of buildings and facilities-- providing certification of the need is given by the Director.

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3. In fact, should the Agency choose to exercise it, the authority under S. 2525 appears broader than old Section 8, insofar as RECD is concerned--see Section 421 (5) concerning rent of premises which seems to give the Agency authority to rent its own premises in the U.S. (without going through GSA) "to carry out any function of the Agency authorized under this title."



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